

Developing the Business Case for Workforce Planning

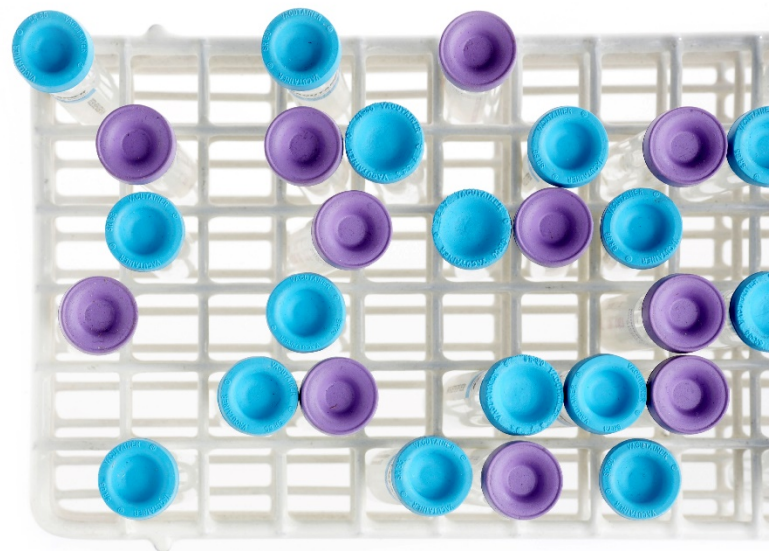


Table of Contents

3	Introduction
4	The Value of Workforce Planning
5	How to Use This Tool
6	Tool Summary
7	Establish the Need
8	Outline Recommendations
9	Costs & Benefits
10	Assumptions & Risks
11	Implementation Options
12	Conclusion
13	Create Your Own

Introduction

Welcome to the NIH Workforce Planning Toolkit.

This toolkit was developed to help you jumpstart workforce planning activities in your organization. It is a collection of tools, procedures, points-of-contacts, and case studies that will help you implement successful workforce planning activities to achieve your desired outcomes.

How is Workforce Planning being conducted at NIH?

NIH Leadership desired a systematic process for ensuring the agency's human capital strategy addresses organizational goals by aligning the workforce to current and future requirements, determining where there is a misalignment, and developing strategies to address those challenges. The NIH Workforce Planning Working Group (WFP WG), with members from all across the Institutes and Centers (ICs), was established in March 2013 to begin to address these challenges. This toolkit is one of the products of their work.

What is Workforce Planning?

Workforce Planning is the process of analyzing, forecasting and planning workforce supply and demand, assessing gaps, and determining targeted talent management interventions to ensure that an organization has the right people – with the right skills in the right places at the right time – to fulfill its mandate and strategic objectives.

Why do Workforce Planning at NIH?

Workforce planning has a myriad of drivers both external and internal to NIH including:

- Chief Human Capital Officers (CHCO) Act of 2002 – requires NIH to “...assess workforce characteristics and future needs based on agency mission and strategic plan...”.
- 5 CFR, Part 250 (Personnel Management in Agencies), Subpart B (Strategic Human Capital Management), 203 (Agency Responsibilities) – requires NIH to “...document the current state of the workforce, project human resources needed to achieve program performance goals, identify shortfalls or gaps, and describe occupations most critical to agency performance...”.
- Workforce planning can help solve many common organizational challenges such as:
 - Budget Cuts
 - Skill Gaps
 - Realignment
 - Change in mandate

The Value of Workforce Planning



How can workforce planning help me?

It is important to engage business leaders as you develop your business case for workforce planning. The more tangible and relevant the benefits are to your specific organization, the stronger your business case will be. If you are having trouble thinking of benefits specific to your organization, think instead of what might happen if you do not take action.

Common Triggers of Workforce Planning

- Creation of new organizational unit or the merger of existing units
- Requests to justify personnel costs for budget/accounting purposes
- Abnormal levels of attrition or retirements (current or anticipated)
- Gaps with employee levels, competencies, or skills
- Changes to an existing organizational unit and/or processes within that unit
- Requests to assess organizational and/or employee performance
- Changes in business model requiring new skill sets or revised staffing levels

Common Benefits of Workforce Planning

When properly implemented, workforce planning can:

- Identify staffing levels and competencies required to support both short- and long-term strategies and goals to minimize the chance of workforce misalignment
- Address gaps between the current and desired future workforce and defines these talent surpluses and shortages
- Align the workforce with business plans to appropriately target and prioritize skill requirements and transition strategies
- Support organizational change efforts and create a roadmap to achieve an ideal future workforce

How to Use This Tool



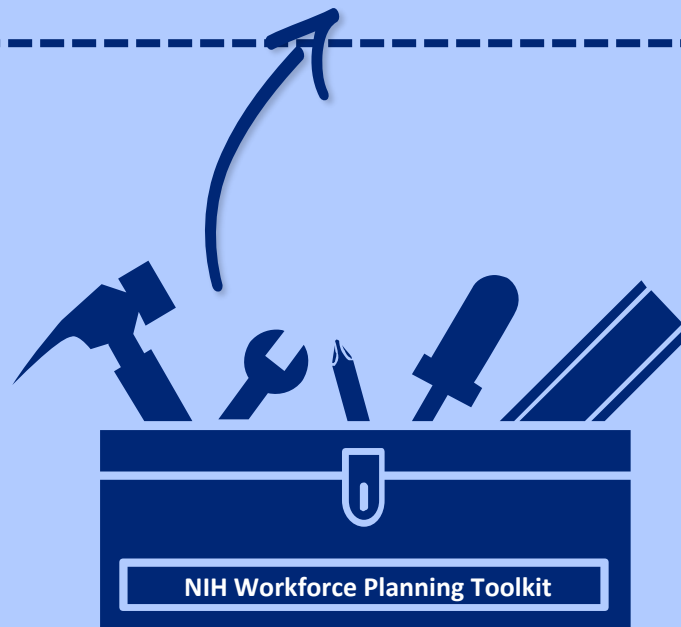
The right tool for the right job.

This tool is just one component of a larger workforce planning toolkit with many tools, processes, and case studies to assist you as you implement workforce planning in your organization. You might also want to explore the following tools in the toolkit:

- How-To Guide: Conducting a Customer Needs Assessment
- Strategic Workforce Planning Status Assessment
- Strategic Workforce Plan Template

How to Develop a Business Case for Workforce Planning

The objective of this tool is to help you create your own workforce planning business case. This guide will explain the different sections of a workforce planning business case and the attached business case template will help you organize your own. Once you have established the need for workforce planning, you can refer to other tools in the toolkit to implement your own workforce planning strategy.



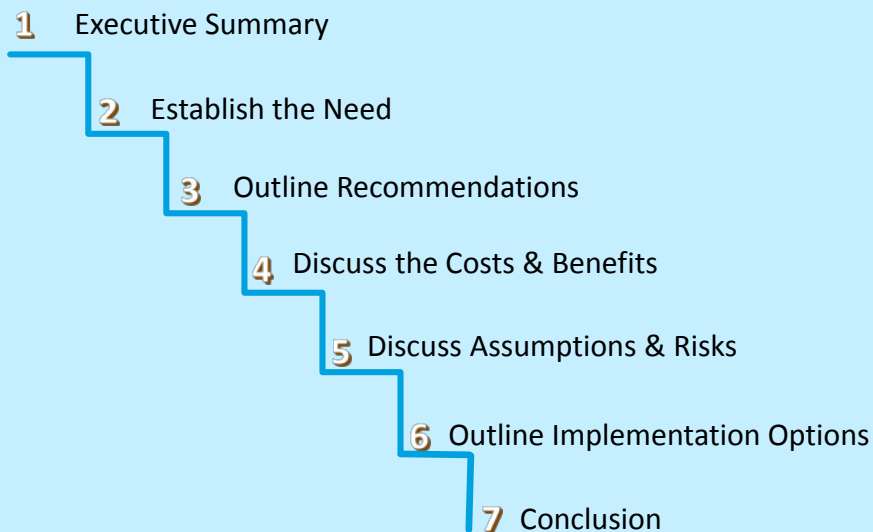
Tool Summary



Developing the business case for workforce planning.

A business case is an argument, usually in document form, developed to convince organizational decision makers to use resources to pursue a certain initiative. This tool lays out the key reasons why decision makers should take a proposed approach to solving workforce planning challenges. This tool also provides a high level template to help you develop your own business case for workforce planning.

Business Case Basics



“Depending on your needs, a business case can either be **general and concise** with high level, *qualitative arguments* or **lengthy and in-depth** with large amounts of *quantitative data and models*”.

Executive Summary

- Although the executive summary is at the beginning of the business case, it should be written after you've completed the other sections.
- Keep the summary short (1-2 pages) and highlight the main points.

2 Establish the Need



What can workforce planning help resolve?

The first step to building a case is identifying an organizational challenge or issue that workforce planning can help resolve. Workforce challenges often arise due to a high level change in mission or shift in skills need.

Common challenges workforce planning can help resolve:

Budget Cuts

By strategically planning its workforce, an organization can ensure that it has access to the skills needed to meet current and future mission needs despite changes to budget.

Skill Gaps

By strategically planning its workforce, an organization will know where there is a skill need for its current and future state, allowing it to strategically plan talent distributions to meet mission needs of today and tomorrow.

Realignment

Often times an organization's skills needs will shift over time. By using workforce planning, an organization will know where it has existing skillsets and can internally streamline position transitions with relative ease.

Change in Mandate

A change in an agency's mandate can mean a change in the scope or needs of its work. Having an active workforce plan will position an agency to proactively reshape its existing and future workforce skills profile to meet new mission needs.



How can workforce planning help resolve the issue identified?

The next step is to clearly layout your proposed workforce planning solution and clearly state how it will address the issue you identified earlier. Remember, workforce planning does not need to be sophisticated to add value to an organization.

Questions your proposed solution should answer:



Why am I proposing the implementation of WFP? How will it address the identified issue?

Reflecting back on the organizational challenges you identified for this case, think about how the proposal will specifically address the issue. Make it very obvious to the reader!



What is the scope and vision of my proposal?

Discuss how the proposal is feasible given any constraints that may be facing you or the organization. Sometimes the best solutions are the simplest ones. Layout for the reader how the proposal's vision and scope is appropriate within the context of your organization.



What is my ideal vision and outcome from the proposed implementation?

In order to persuade organizational decision makers to implement the proposal, it is important that the benefits of the proposal are clearly articulated. Additionally, it is important to thoroughly consider and define the goals of the proposal so that the implementation process has clear direction. What are the ideal outcomes of your approach? Is there a clear direction? Does it add value to your organization?

Discuss the Costs & Benefits



What are the costs and benefits?

Are there any potential costs to implement the proposed solution? What are the manpower costs (how many people would it take) and operational costs (if we do this, what falls off the plate)? What are the benefits to implementing the proposed solution (the benefits should outweigh the costs)? Beyond the intended benefits and outcomes think about any secondary benefits or longer-term benefits that might arise.

Tips for thinking about costs & benefits:



Costs

Examples:

Manpower

- How many people would it require to implement?
- Are those people identifiable and available?
- If not, is there a cost to finding them?

Operational

- How would workload need to shift if this was implemented? What would not get done?
- What might happen if the proposal isn't implemented?

Types of Costs

- What is the initial cost (current fiscal year)?
- Are there ongoing costs (maintenance)?
- What are the one time costs vs. recurring?

Benefits

Examples:

Quantitative:

- **Headcount reduction:** Salaries, benefits, bonuses
- **Technology savings:** Hardware, software, maintenance, upgrades, licenses, vendors
- **General and Administrative savings:** Utilities, insurance, rent, supplies, communications
- **Other savings:** Rent, furniture, legal and consulting fees, printing, travel

Qualitative:

- Service quality, flexibility, scalability, compliance, customer-centric service delivery, and the ability to be more "strategic"

Discuss Assumptions & Risks



What are the assumptions and risks?

What are the assumptions on which the proposal is dependent (i.e. what factors are "assumed" to be true)? This could be anything from assumptions about staff that will be available, budget that will be available, technology that will integrate properly, etc. It is important to communicate these things to the reader to ensure they agree with those assumptions. Additionally, what risks should the reader be aware of that might impact the success of the proposal? How might these risks be mitigated or eliminated?

Thinking about assumptions & risks...

Assumptions

"Factors that are assumed to be true"

Examples:

- Available Staff
- Sufficient Budget
- Available workload capacity
- Staff with necessary skills

Provide a detailed listing of the assumptions you use in your cost/benefit determination and your overall proposal.

Risks

"Things that might impact success"

Examples:

- Hostile business environment
- Stakeholder buy-in
- Organizational culture
- Data unavailability

Are the risks too significant to justify implementing the proposal? How can the risks be mitigated or eliminated?



What are the implementation options?

Describe the different options for implementing the proposal and discuss the pro's and con's of each option. What is the recommended option and why? Does the proposal need to be implemented all at once to be effective? Can it be done in phases or in a piece-meal approach? Would that affect its organizational impact?

Outlining the Implementation

Approach

Examples:

“Big Bang”

- Implementation of proposal will be completed all at once

Phased

- Implementation of proposal will be completed over an estimated set of years

Additional Items

Examples:



Timelines



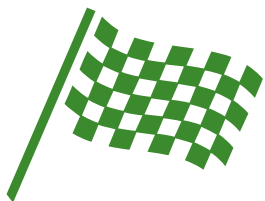
Estimate of Resources Required



Project Tollgates



Post-project evaluation plan



The conclusion.

The final step is to reiterate the benefits of your proposal, qualitative and quantitative, and link them to the reader's strategy and core concerns. You should also state the immediate next steps. Finally, remember to include the executive summary (easier to complete at the end).



State the **benefits** to the stakeholder

What is being gained or prevented by implementing this proposal?



Convince them to **care**

How does it address the stakeholder's core concerns and strategy?



Immediate **Next Steps**

What actions need to be taken to get started?

Create Your Own Business Case



Now it's your turn.

Now that you understand the different components of a workforce planning business case, it's time to create your own! [Refer to the corresponding template in the toolkit to get started.](#) You will find a basic structure for creating a business case with appropriately labeled sections with guiding questions. You may need to rearrange or omit certain sections based on your specific needs as they might not all be relevant.

Good luck!

